

Message Text

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15

ACTION NEA-16

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NSAE-00 RSC-01 SIL-01 L-03 DODE-00 PA-04 USIA-15

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R 011435Z MAY 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 1205

INFO AMCONSUL BOMBAY

AMCONSUL CALCUTTA

AMCONSUL MADRAS

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E.O. 11652: N/A

TAGS: ELAB, ETRN, IN

SUBJ: THREAT OF RAILWAY STRIKE MAY 8

BEGIN SUMMARY. THE THREATENED INDEFINITE STRIKE OF 1.7 MILLION RAILWAY WORKERS IS SLOWLY BEING DEFUSED BY THE EFFORTS OF GOI AND THE UNIONS TO REACH A NEGOTIATED SETTLEMENT OF SIX MAJOR DEMANDS. WHILE A FEW OF THESE DEMANDS HAVE ALREADY BEEN ACCEPTED BY THE GOI, MAJOR ISSUES LIKE PARITY IN PAY SCALES WITH PUBLIC SECTOR UNDERTAKINGS AND BONUS COULD PROVE TO BE THE BONE OF CONTENTION RESULTING IN THE STRIKE, THE NATURE AND EXTENT OF WHICH IS UNPREDICTABLE AT THIS TIME. END SUMMARY.

1. THE GOI-OWNED INBHAN RAILWAYS EMPLOYING APPROXIMATELY 1.7 MILLION WORKERS ARE THREATENED WITH AN "INDEFINITE" STRIKE BEGINNING MAY 8. THE STRIKE CALL HAS BEEN ISSUED BY THE NATIONAL COORDINATION COMMITTEE FOR RAILWAYMEN'S STRUGGLE (NCCRS). THE NCCRS IS COMPOSED OF THE SOCIALIST-ORIENTED ALL INDIA RAILWAYMEN'S FEDERATION (AIRF) LED BY SOCIALIST PARTY PRESIDENT GEORGE FERNANDES, HAVING A CLAIMED MEMBERSHIP OF 600,000, THE SIX-WEEK-OLD COMMUNIST

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PARTY OF INDIA (CPI)-ORIENTED INDIAN RAILWAY WORKERS

FEDERATION (IRWF) LED BY CPI CHAIRMAN S.A. DANGE AND HAVING ONLY A NOMINAL FOLLOWING, AND THE ALL INDIA RAILWAY EMPLOYEES CONFEDERATION (AIREC) HAVING ELEMENTS FROM COMMUNIST PARTY OF INDIA-MARXIST (CPM), JANA SANGH (JS), AND INDEPENDENTS HAVING MEMBERSHIP OF VARIOUS CRAFT UNIONS AND ASSOCIATIONS.

2. MAJOR DEMANDS OF THE NCCRS ARE: (1) PARITY IN PAY SCALES WITH OTHER PUBLIC SECTOR UNDERTAKINGS, (2) BONUS, (3) JOB EVALUATION, (4) REDUCTION IN WORKING HOURS TO EIGHT AS AGAINST 12 TO 14 AS CURRENT, (5) MINIMUM "NEED-BASED" WAGE OF RS. 300 PER MONTH (AS AGAINST THE MINIMUM NOW FIXED AT RS. 196, AN IMPROVEMENT OVER THE RECOMMENDATIONS OF THE THIRD PAY COMMISSION, AND (6) FULL NEUTRALIZATION OF THE INCREASE IN COST OF LIVING, AS AGAINST THE CURRENT RANGE OF 25 PERCENT TO 90 PERCENT, BASED ON PAY SLABS, THE HIGHEST RATE BEING APPLIED FOR THE LOWEST PAY SLAB.

3. THE CONGRESS PARTY-ORIENTED NATIONAL FEDERATION OF INDIAN RAILWAYMEN (NFIR) WHILE SUPPORTING THE LISTED DEMANDS HAVE OPPOSED ANY STRIKE ACTION AT THIS TIME. IT CLAIMS A MEMBERSHIP OF 600,000. IT BELIEVES A NEGOTIATED SETTLEMENT IS POSSIBLE.

4. ON APRIL 27, GOI RAILWAY MINISTRY COMMENCED NEGOTIATIONS WITH REPRESENTATIVES OF THE RAILWAYMEN, INCLUDING THE NFIR. SO FAR, THE MINISTRY HAS ACCEPTED IN PRINCIPLE TO: (1) OPEN "FAIR PRICE" SHOPS TO SUPPLY FOODGRAINS AT CONTROLLED PRICES, (2) REGULARIZE EMPLOYMENT, WORKING HOURS AND PAY SCALES FOR 320,000 CASUAL WORKERS, AND (3) REDUCE WORKING HOURS FOR ANOTHER 600,000 WORKERS AS ALREADY RECOMMENDED BY A TRIBUNAL. THE TOTAL ANNUAL COST IN RESPECT OF ITEMS (2) AND (3) IS REPORTEDLY RS. 350 MILLION. THE GOI HAS REPEATEDLY STRESSED THAT CONCEDING THE BONUS DEMAND ALONE WOULD COST ANOTHER RS. 400 MILLION RUPEES ANNUALLY AND THAT CONCEDING ALL THE DEMANDS WOULD COST APPROXIMATELY RS. 4,500 MILLION. IT HAS ALSO STATED THAT IT IS IN NO POSITION TO AFFORD THIS ADDITIONAL EXPENDITURE, ESPECIALLY BECAUSE IN THE LAST YEAR THE RAILWAY DEFICIT AMOUNTED TO RS. 2,080 MILLION. THE NCCRS HAS DISPUTED LIMITED OFFICIAL USE

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THIS CLAIM AND ESTIMATED THE ADDITIONAL ANNUAL COST AT RS. 3,000 MILLION. NEGOTIATIONS ARE PRESENTLY DEADLOCKED ON THE REMAINING ISSUES AND ARE EXPECTED TO BE RESUMED MAY 2.

5. IN THE LAST WEEK, THE RAILWAYS HAVE CANCELLED AT LEAST 200 PASSENGER TRAINS, INCLUDING MANY MAJOR ONES INTERLINKING NEW DELHI, CALCUTTA, BOMBAY AND MADRAS,

CAUSING CONSIDERABLE DISLOCATION OF PASSENGER TRAFFIC AND HEAVY LOSS OF REVENUE. THIS STEP, ACCORDING TO THE RAILWAY BOARD, HAD TO BE TAKEN TO CONSERVE COAL FOR ESSENTIAL SERVICES AND ALSO TO UTILIZE THE LOCOMOTIVES THAT HAVE BECOME AVAILABLE BY SUCH CANCELLATIONS TO MOVE ESSENTIAL FREIGHT. IN ADDITION, THE GOI HAS ALSO TAKEN

A SERIES OF STEPS TO ENSURE ESSENTIAL RAIL TRAFFIC, INCLUDING ALERTING THE TERRITORIAL ARMY, CANCELLING LEAVE TO THE STAFF, AND ASKING THE STATE GOVERNMENTS TO ENSURE MAINTENANCE OF LAW AND ORDER AND PROTECTION OF RAILWAY PROPERTY. THE GOVERNMENT IS REPORTEDLY READY TO USE THE EXTRAORDINARY POWERS VESTED BY THE DEFENSE OF INDIA RULES (DIR) AND MAINTENANCE OF INTERNAL SECURITY ACT (MISA) TO PUNISH THE STRIKERS. IN FACT THE RAILWAY BOARD HAS REMINDED THE UNIONS THREATENING STRIKE THAT SUCH STRIKE WOULD BE ILLEGAL UNDER THE DIR WHICH WAS INVOKED IN DECEMBER 1973 TO PROHIBIT THE LOCOMEN'S STRIKE BUT MADE APPLICABLE THEN TO ALL THE RAILWAYMEN.

6. THE RAILWAY UNIONS THEMSELVES ARE DIVIDED IN THEIR APPROACH TO THE OUTSTANDING ISSUES. THE NCCRS INSISTS THAT UNTIL ALL THE DEMANDS ARE CONCEDED THE STRIKE IS IMMINENT. HOWEVER, THE ROLE OF DIFFERENT POLITICAL ELEMENTS IN THE NCCRS IS RATHER UNPREDICTABLE. FOR EXAMPLE, CPI LEADER DANGE WOULD FIND IT HARD FOR HIM TO CONTINUE TO SUPPORT THE STRIKE ONCE SOME CONCESSIONS ARE MADE TO THE RAILWAYMEN, BECAUSE OF HIS PARTY'S ALLIANCE WITH THE RULING CONGRESS PARTY AT THE NATIONAL LEVEL AS WELL AS IN SEVERAL STATES. THE CPM, HOWEVER, WOULD HAVE NO COMPUNCTIONS TO PULL THE STRIKE BECAUSE OF ITS TOTAL OPPOSITION TO THE CONGRESS AND ITS "PRO-MONOPOLISTIC" POLICIES. THE JANA SANGH IS ALSO OPPOSED TO THE CONGRESS LIMITED OFFICIAL USE

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BUT ITS LEADER HAS PUBLICLY STATED THAT THE STRIKE CAN BE AVERTED IF THE BONUS DEMAND IS CONCEDED. THE SOCIALIST PARTY HEADED BY GEORGE FERNANDES IS EQUALLY OPPOSED TO THE CONGRESS PARTY, BUT THE AIRF HE HEADS, THE PRINCIPAL BODY INVOLVED IN THE ACT, IS FINANCIALLY AND ORGANIZATIONALLY TOO WEAK TO WITHSTAND A STRIKE IN SPITE OF HIS UNTIRING EFFORTS SINCE HE TOOK OFFICE LAST OCTOBER TO REFURBISH ITS IMAGE AMONG ITS MEMBERS AND THE RAILWAYMEN AT LARGE. AS STATED EARLIER, THE NFIR HAS OPPOSED THE STRIKE BUT IT IS UNDERSTOOD THAT SOME OF ITS MEMBERS ARE UNHAPPY WITH ITS ROLE AND MAY STILL JOIN THE STRIKE.

7. THUS WHILE THE POSSIBILITY OF THE STRIKE SHOULD NOT BE RULED OUT, HOWEVER PARTIAL OR SPORADIC IT MIGHT BE BECAUSE OF THE DIVISION AMONGST THE UNIONS AND THE EXTRA-

ORDINARY POWERS THE GOI WILL USE TO CRUSH IT, THE GOI AND THE RAILWAY UNIONS APPEAR TO BE NEGOTIATING THE ISSUES WITH THE INTENTION OF AVOIDING A STRIKE. THE STRIKE WOULD CAUSE BASIC DISLOCATIONS TO THE ECONOMY, WITH ADDITIONAL UNEXPECTED ADVERSE POLITICAL IMPLICATIONS, BECAUSE SEVERAL DISPARATE OPPOSITION GROUPS RANGING FROM THE CPM ON THE EXTREME LEFT AND THE JANA SANGH ON THE EXTREME RIGHT HAVE COMBINED IN THE STRIKE EFFORT. THIS COMBINATION HAS MADE NEGOTIATIONS MORE COMPLICATED AS EACH CONSTITUENT COMPETES IN MILITANCY AND A SETTLEMENT FOR ONE CONSTITUENT MAY NOT BE ACCEPTABLE TO THE OTHERS. IT SHOULD BE NOTED, HOWEVER, THAT THE STRIKE CALL ITSELF IS BASED LARGELY ON ECONOMIC ISSUES AND GRIEVANCES WHICH HAVE ACCUMULATED OVER THE YEARS AND NOW BEEN AGGRAVATED BY PRICE RISES AND FALLING REAL INCOME.

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